

MITCHELL A. LIVINGSTON, ESQ.
Vice President and Corporate Counsel

October 25, 2011

BY FEDERAL EXPRESS

Jennifer J. Johnson, Secretary of the Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue N.W.
Washington, D.C. 20551

**Re: New Jersey Manufacturers Insurance Company
Comments to Federal Reserve System Proposed Agency Information
Collection Activities:
FR Y-9C; FR Y-9LP; FR Y-9CS; FR Y-11; FR Y-11S**

Dear Secretary Johnson:

Please accept this letter on behalf of New Jersey Manufacturers Insurance Company ("NJM") in response to the Federal Reserve System's request for comments on the referenced Agency Information Collection Activities. NJM appreciates the opportunity to comment on the strategy of the Federal Reserve Board ("Board") to require Thrift Holding companies ultimately to file the same quarterly and annual reports as traditional Bank Holding Companies.

NJM is a unitary thrift holding company which has owned NJM Bank, FSB since its formation in 1999. NJM is a property and casualty stock insurance company that operates as a mutual, with the issued stock held in trust for the benefit of policyholders. NJM was founded in 1913, and is licensed and regulated by the New Jersey Department of Banking & Insurance. As a non-public property and casualty insurance company, NJM prepares all of its financial statements on the basis of Statutory Accounting Principles ("SAP"), as required by its primary regulator. These comments are directed to the referenced filings, which if applied to NJM, would require the Company to undergo significant changes and modifications to its financial reporting systems, at considerable time and expense, in order to report information to the Board on a generally accepted accounting principles ("GAAP") basis.

NJM appreciates and applauds the Board's decision to exempt, at least temporarily, insurers that report exclusively on a SAP basis from having to undergo the implementation of a GAAP financial system solely for the purposes of submitting the referenced forms. As the Board notes in its request for comments, NJM and insurers like it are closely regulated by state departments of insurance that require the submission of detailed quarterly and annual financial reports, and perform periodic onsite financial examinations. Although reported on a different accounting basis, these reports and examinations provide more than adequate information upon which the Board may rely to monitor the insurers' financial activities and financial health. Indeed, because of its conservative basis, SAP reporting is widely considered superior to GAAP reporting for purposes of financial solvency analysis. Further it is respectfully submitted that property and



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casualty insurers acting as thrift holding companies are in a unique position in relation to other types of holding companies, in that they are already subject to extensive financial monitoring and oversight, and that the Board should take greater advantage of that existing system in order to avoid unnecessary and duplicative financial regulation which will come at a great cost to policyholders and the public at large.

For these reasons, NJM maintains that the temporary exemption from the referenced reporting requirements should be made permanent, and that in this and other matters, the Board should look to the existing state regulatory system to avoid adding unnecessary and duplicative costs to a financial regulatory system that works, and that can act as an able partner in the Board's efforts to fulfill its oversight functions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M A Livingston".

Mitchell A. Livingston, Esq.
Vice President & Corporate Counsel

cc: OMB Desk Officer
Robert H. Zetterstrom, Senior Vice President and General Counsel
Charles A. Prall, Treasurer